

Entangled in the Societal Labyrinth: Marketers' Management of Paradox and Authentic Norms

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The traditional view of marketing strategy presents a largely autonomous process whereby marketers work to acquire and deploy unique bundles of resources that will position them and their firm with the ability to win competitive advantage. This study builds on this knowledge by also considering marketers' interaction with a dynamic institutional environment. An historical analysis of retail industry trade publications reveals an intriguing array of strategic marketing activity not captured in extant considerations of marketing strategy. The retailers we examined are confronted with a dynamic, fragmented, and contradictory collection of authentic norms – norms deemed by community members to define that society's range of legitimate behavior. Marketers work to help influence and shape those authentic norms, presenting an intriguing institutional dimension to marketing strategy.

Paradoxically, as we have performed good deeds, our credibility has become suspect. Rather than quickly taking advantage of opportunities to inspire public confidence, we have failed through poor communications to properly merchandise our progress. Thus, although we have, in fact, played a big part in the solution, we have too often been identified as part of the problem. (Chain Store Age, January 1970, p. 18)

The past decade has witnessed an upsurge of interest by marketing academics and practitioners in the social dimensions of marketing actions. Trends such as green marketing, cause-related marketing, marketing ethics, boycotting, and so on have been gaining increased attention. However, a cursory look at the history of marketing thought highlights the idea that the past decade is certainly not the first time marketers have seriously considered social dimensions. They had to respond to conditions caused by the depression and the consumer movements in the 1930's. In 1957, Vance Packard's *The Hidden Persuaders* caused a furor about the uses of psychological techniques by advertisers and other marketers to manipulate expectations

and create a culture obsessed with consumption. The 1960's ushered in an era of consumer protest against unsafe products as well as deceptive advertising and pricing. In the 1970's, Philip Kotler called for the application of marketing to be broadened beyond business applications to the marketing of ideas and to the not-for-profit sector.

A common element running through all of these illustrations is that societal forces which lie outside the organizational boundary have worked to shape the intensity and even the form of marketing's interest in, and response to, the social dimensions which surround marketing organizations and their practices. The purpose of this paper is to investigate the co-constitutive process between marketers and societal stakeholders which, at least in part, shapes the way marketers come to integrate social dimensions into their practices.

To better understand this process, we perform an historical analysis of the retail industry and its dynamic interaction with a range of societal stakeholders that make up the retail industry's organizational field. The lens we have used to examine our empirical data is institutional theory, which is a conceptual framework that focuses attention on the social processes that lie beyond the organizational boundary. Using this lens sheds light on how social processes come to shape organizational practices (Hoffman 1999). By drawing on institutional theory, this paper will attempt to build a conceptual understanding of how societal (or institutional) forces work to shape marketing thought and action.

The potential contribution of such a view is that it offers some balance to a field that is dominated by the managerial perspective and its focus on competitive advantage. Traditional marketing theories such as resource advantage theory, the theory of the market oriented company, and relationship marketing fall within the managerial school of thought. The thesis underlying a managerial perspective is that the organizational field evolves as marketers devise new innovations based primarily on internal organizational improvements and innovations. We are not disputing the importance of the managerial perspective. Our aim is to complement this theory and shed some light on the way in which forces

outside the organizational boundary – social forces – both influence and are influenced by marketing thought and strategy, an area that is often overlooked when using the managerial perspective.

MARKETING THEORY'S FOCUS ON COMPETITIVE ADVANTAGE

At the levels of the individual marketing manager, the firm, and inter-firm relationships, the focus of much of mainstream thinking about marketing strategy is centered on competitive advantage. Competitive advantage represents the firm's ability to achieve superior financial performance by mobilizing unique resources in order to implement a value-creating strategy that is superior to that of competitors (Day and Wensley 1988; Varadarajan and Jayachandran 1999). At the individual marketing manager level, the focus is on the efficient negotiation of resource exchanges with economic transacting stakeholders such as employees, suppliers, and customers. This perspective is reflected by Hunt and Morgan (1996) in their resource-advantage theory of competition (RATC).

When one moves the analysis to the level of the firm, the theory of market orientation has guided marketing thought. Here, marketing focuses on transacting stakeholders and the ability to determine customer needs. The central imperative espoused by marketers at the firm level is to engage in bargaining and coalition formation with the organization's other functional areas to ensure a superior customer and competitor orientation by all stakeholders within the organization (Kohli and Jaworski 1990; Narver and Slater 1990). At the level of the firm, and consistent with the application of competitive advantage theory (Hunt and Morgan 1995), a market oriented firm will be rewarded with superior market-based returns, such as profit (Kohli and Jaworski 1990; Narver and Slater 1990).

Marketing's emphasis on competitive advantage also permeates theorizing at the inter-firm level by way of relationship marketing (Hunt and Morgan 1995). While constructed with a focus on inter-firm cooperation, relationship marketing is an economic-oriented theory based on relational partners acquiring and deploying a unique bundle of resources that will win competitive advantage for those firms engaged in the relationship (Barney and Hesterly 1996; Hunt and Morgan 1995). For example, relationship partners acquire and deploy the important resources of relational exchange norms, such as trust. These norms bind economic actors together in ongoing relationships that minimize transaction costs by reducing governance (monitoring) costs (Heide and John 1992; Hunt and Morgan 1995; Rindfleisch and Heide 1997).

With all three levels of analysis focused on competitive advantage, superior economic performance of the firm stands as the primary objective. Other objectives, such as tending to broader societal issues, achieve only "secondary" status (Hunt and Morgan 1995, p. 6). This is consistent with

traditional stakeholder theory in which the primary focus is on the firm's economic transacting stakeholders such as creditors, shareholders, and customers who engage in economic-oriented transactions that affect the firm's cost and revenue structure (Clarkson 1995). Stakeholders that express concern about the organization's broader, societal impact are regarded as secondary and therefore do not play an important role in extant marketing theory (Handelman 2006).

Considering the Societal Forces on Marketing Strategy

The past decade has witnessed a shift with regard to the importance of societal stakeholders and their impact on marketing. Accusations that marketing is having a detrimental impact on society by promoting a culture based on over consumption, resulting in a deleterious impact on the environment (Holt 2002), are manifest in the growing incidence of consumer activism such as boycotting behavior (Klein et al. 2004). Anti-globalization protests and calls by the public for greater corporate governance in the face of corporate accounting scandals have inevitably led to a call for theories of marketing strategy and management that incorporate societal stakeholders (Maignan and Ferrell 2004).

The purpose of this paper is to contribute to the emerging stream of research that is re-examining our understanding of marketing strategy in the context of increasingly active (and activist) societal stakeholders. Firms' environments are composed of complex webs of social groups (e.g., government regulators, activist consumers, the press, academics, and other social critics) who are powerful, proactive, and culturally adept (Handelman 2006). To survive in such a milieu, firms and marketers within them must not only comprehend this environment, but also work to make their firm and industry comprehensible to these important social actors.

Recognizing that the most recent decade is certainly not the first time activist societal stakeholders have exerted their influence on the marketing function, this paper attempts to make its contribution by engaging in an historical examination of marketing practice during another socially active period: the 1960's and 1970's. In exploring our data, we asked questions like: How did marketers interact with aggressive and often unfriendly (towards marketing) societal stakeholders? What strategies did marketers engage in that are not captured in the traditional competitive advantage-based theories of marketing strategy? By examining the dynamic interplay between marketing and an activist societal context from another era, we seek to contribute to our understanding of marketing strategy in general.

To help us in this investigation, we draw on institutional theory as our theoretical lens. Institutional theory is appropriate because it emphasizes the social

context-dependent nature of organizations (Whetten and Mackey 2002). An institutional theory perspective recognizes an organization's attempt to achieve "social fitness, which stresses the pursuit of legitimacy in the eyes of important societal stakeholders" (Grewal and Dharwadkar 2002, p. 82).

Where competitive advantage-based theories focus on the organization's attempt to acquire and deploy unique bundles of resources in order to win superior financial performance, institutional theory also recognizes organizational efforts to achieve legitimacy in a diverse and often fragmented societal context. Legitimacy represents an organization's degree of 'social fitness' whereby the organization demonstrates its acceptance and adherence to societal norms (Grewal and Dharwadkar 2002; Suchman 1995). Here, the organization comes to be regarded as an organic, indivisible, and embedded part of a complex, fragmented, and contradictory social system – also referred to as an organizational field – that presents the organization with shifting and conflicting expectations (Handelman and Arnold 1999). An organizational field is "a community of organizations that partakes of a common meaning system and whose participants interact more frequently and fatefully with one another than with actors outside the field" (Hoffman 1999, p. 352).

METHOD

The organizational field which we focus on in this study is that surrounding US-based retailers. In particular, we examine two major trade magazines, Chain Store Age and Progressive Grocer. In total, we examined 1,285 articles from 480 issues of both trade journals spanning a period from 1960 to 1979.

We examined all articles and material in these publications that did not relate directly to the core (technical) business of the retailers. In other words, we did not examine articles related entirely to topics such as merchandising, product selection, pricing, location, or display. We collected only those materials that related to the organization's social environment. Such articles dealt with topics such as proposed or new regulations, industry association reactions to these regulations, programs aimed at consumers, and social issues affecting retail trade such as race relations, boycotts, or the growing consumer movement. Some articles represented a blend of core retailing business and social responses, and we examined these articles as well. For example, nutrition labeling touches very much on the 'technical' aspects of food retailing, but also has a social element as retailers lobbied to influence consumers' concerns and pending regulations. All articles were analyzed with an eye to the subject matter, key actors, the rhetoric and language used, and the perceived amount of dialogue evident in interactions among field participants. Using institutional theory as a lens, we looked for key actors within the organizational field, how they

interacted, their attitudes towards each other, and key triggering events. We worked to interpret the issues, beliefs, norms, and decision rules that were prevalent during the period.

We selected Chain Store Age and Progressive Grocer based on their prominence and readership within the retailing industry. Trade journals act as an historical record of key issues and events as perceived by actors in the industry (Hoffman 1999). They socialize readers and they reflect changes in behaviors and attitudes when studied over time. Writers and publishers of these journals are also players in the organizational field and their content influences issue recognition and interpretation. In turn, writers and publishers are subject to political pressures from within the organizational field. We recognize that trade journals present a biased interpretation of issues, slanted to reflect the interests of the journal's core readers.

To supplement these sources, we examined books on American history and business history so that we would better understand the key triggering events that provided the societal context for the organizational field during this period of time. It was enlightening to see which events were deemed relevant by the trade publications and which ones were ignored. For example, while the 1960's was a decade of fear (the Cuban Missile Crisis), student unrest (Berkley Free Speech Movement), and war (Vietnam), these social issues generated almost no discussion in the trade journals. Other events such as those related to the civil rights movement and the race riots, in which many retail establishments were damaged or destroyed, received prominent and repeated coverage.

We used an iterative process when analyzing the data. First, all three researchers read and independently interpreted all of the data to derive key themes. We read the data in ten-year blocks, not because we expected time-based boundaries on key changes, but to make the data analysis viable with such a large data set. After reading and interpreting each set of data, we met to discuss the themes and trends. Notes were made with regard to key themes and events. After the initial set of meetings, we re-visited the data and repeated the process to refine our interpretations.

FINDINGS

The Complexity of the Organizational Field

Throughout the 1960's and 1970's, retailers and the marketers within these organizations operated in an enormous and bewilderingly complex organizational field. They were faced with a broad and diverse range of issues that involved a large number of inter-connected organizational actors.

Issue Complexity

The issues that dominated the discourse of this organizational field throughout the 1960's and 1970's were plentiful. Labor concerns included the reduction of the work week to thirty-five hours, equal pay for women, employment safety, age restrictions for different types of jobs (such as working in meat plants), minimum wage legislation (e.g., 1961 Amendments to the Fair Labor Standards Act, 1963 Equal Pay Act), and industry boycotts such as the union-led grape and lettuce boycotts of 1974. Anti-competitive practices were contested, particularly issues surrounding mergers and acquisitions, and practices such as the use of loss leaders. The introduction of Health Maintenance Organizations (HMOs) in the 1970's was debated because of the potential impact on pharmacies and drug store retailers. While some issues were new and characteristic of the 1960's and 1970's, others have been debated since the inception of studies of marketing. For example, one article commented on a commission that was investigating the spread in prices between what farmers receive for food and what consumers pay for it (PG², August 1964, p. 37). While all of these issues were present, the following paragraphs highlight the most prominent.

Pricing. Unemployment, inflation, and recession fueled concerns about price throughout the 1960's. The enforcement of resale prices and the affordability of products, particularly grocery products, were dominant issues. In response to consumers' demands for low prices, the Woolco discount chain and the Family Dollar Discount chain were born in 1960, and Kmart discount stores and Wal-Mart in 1962. In the same year, the Cover Girl cosmetics line which promised reasonable prices was launched, and Continental airlines began offering economy fare between Chicago and Los Angeles. Government and retailers debated the effectiveness of food stamps as tools to combat poverty and boost farm income. Consumer groups began boycotts protesting high prices. Trading stamps (promotional tools collected by consumers which could be redeemed for various types of products) were criticized because of concerns that they restricted consumer choice and added to price inflation.

Federal government agencies were very much involved in pricing issues. The Federal Trade Commission (FTC) launched an investigation of private label products to determine if they constituted a form of price discrimination. The Food and Drug Administration (FDA) forbade the sale of 'economy' size packages that were in fact priced higher per ounce than goods in 'regular' sized packages. The FTC ruled resale price maintenance unfair. In 1962, President Kennedy declared steel price increases unnecessary, and in 1964 President Johnson launched the national war on poverty. The food industry launched its "Food is a Bargain" campaign in the same year. In 1965, the National Commission on Food Marketing (NCFM) studied food prices comparing retailer and national brands for volume, quality, and price differences. Findings which were released in the summer of 1966 noted that there was only "superficial

price competition between chain and non-chain supermarkets" (PG, May 1966, p. 9).

By the 1970's, however, pricing issues no longer held the same importance for consumers, government, or retailers (PG, January 1978, p. 25). Many advertisements, for example, began to focus on things other than price, such as product quality. For specialty products like organic foods, price was deemed a less important issue.

Consumer protection and rights. These were prominent issues throughout the 1960's and 1970's. In a 1962 speech to Congress, President John F. Kennedy outlined four basic consumer rights, which later became known as the Consumer Bill of Rights. The four rights were the right to be informed, the right to safety, the right to choose, and the right to be heard. Concern with the first two rights resulted in government action: the Cigarette Labeling Act (1965), the Fair Packaging and Labeling Act (1966), the Wholesome Meat Act (1967), the Truth-in-Lending Act (1968), and the Magnuson-Moss Warranty Act (1975). Concern about consumers' right to safety led to the establishment of the Consumer Product Safety Commission (CPSC) in 1972 (Lush and Hinton undated).

Both retailers and government regulators worked to position themselves as the watchdog for consumer rights and often took the stance that consumers needed to be protected. Government pushed members of the retail supply chain to serve the public good. Retailers were asked to be vigilant to prevent consumers from injuring themselves while in stores. Numerous bills were proposed as means of regulating labeling (ingredient listings, nutrition information, and dating of perishable foods) and providing more accessible information on prices (e.g., unit price information on shelves and on packaging to facilitate cost comparability across package sizes). In 1966, articles began to appear debating the need within government for a Department of Consumer Affairs whose purpose would be to protect consumers in terms of product quality and prices. Consumer groups lobbied government over concerns about food safety.

The environment. In 1963, we found the first articles relating to environmental issues. Phosphates in detergents were recognized as presenting a major water quality problem. In 1966, the new Motor Vehicles Safety Act was passed to control emissions. In 1970, environmental groups celebrated the first Earth Day. 'Consumer crusader' Ralph Nader fueled environmental concerns throughout the 1970's. Waste management was a growing concern. Retailers had to address the waste associated with packaging and shipping containers (e.g., cardboard, and the 1977 bottle bill).

Health and nutrition. James S. Turner's 1970 book, *The Chemical Feast: The Nader Report on the Food and Drug Administration*, prompted a review of food marketing, food additives, and their approval processes. Throughout the 1970's, many additives were called into question or banned, for example, aspartame, cyclamates, saccharin,

MSG, nitrites, and mercury levels in tuna. As a result of heightened public concern, the FDA conducted extensive reviews of the Generally Regarded as Safe list of food additives. Other nutritional issues also made headlines – breakfast cereals came under attack for their lack of nutritional value (1970) and organic foods gained an increasing presence (1971). In 1974, the Senate Commerce Committee approved a bill requiring much more informative and reliable labeling in order to ensure a more wholesome and safe food supply.

Race relations. Race relations received headline coverage, especially in the 1960's. In 1964, W.T. Grant was noted as the first major retailer with a Negro³ person on its Board of Directors. The 1965 race riots in the Watts district of Los Angeles, and the 1966 riots in Chicago, Baltimore, San Francisco, Cleveland, Omaha, Brooklyn, and Jacksonville were major trigger events. Since many retail outlets were looted or damaged, the riots focused retailers' attention on this issue. An editorial in *Progressive Grocer* in 1968 noted that the retail food industry had not yet learned how to be successful in Negro areas as evidenced by continued boycotts, riots, and demands by Negroes for more jobs and special products. Retailers and other related businesses were asked by the Government to provide two million jobs to "hard-core unemployables" (CSA, June 1968, p. 51) as a means of preventing future riots and violence. While it was noted that some Negroes would only accept business as legitimate if it helped them to solve their social problems, others wanted nothing to do with business. By the early 1970's, confrontation was replaced by engagement, as members of the retail industry and the black community partook in more frequent and positive contact (CSA GME, May 1970, p. 116), and retailers took their responsibility to hire Negroes to heart (PG, February 1971, p. 98).

Complexity and Diversity of the Organizational Field

The organizational field that emerged around these issues was also complex and diverse. Take for example the 1961 hearings on 'deceptive' labels and packages:

The first witnesses were generally consumer spokesmen whose views struck trade leaders as extravagant, sometimes unfounded and without too much substance. Next to appear will be retailers, food processors and finally government officials. The outcome? Best guess is lots of headlines but very little likelihood of any legislation. (PG, September 1961, p. 12)

Following the thinking articulated in traditional stakeholder theory, we initially expected that the organizational field in which retailers and their marketers operated would be comprised of three relatively homogeneous groups – other businesses (i.e., suppliers), government, and consumers. However, many more types of

organizations and individuals were noted in the various articles we studied. Table 1 compiles the players referred to in our data set in the 1960's alone.

TABLE 1
Organizational Field Members

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- Chains and independent retail stores and their leaders (e.g., Jewels, Lyon's Foodland, Kroeger, F.W. Woolworth, Grand Union, National Tea, Barbers, Empire Markets, Super Valu)
 - Chamber of Commerce
 - Consumer spokespeople and advocates
 - Consumers
 - Educators
 - Federal regulators and departments [United States District Attorney (USDA), Congress, House Commerce Committee, Food and Drug Administration (FDA), Federal Trade Commission (FTC), Department of Labor, Secretary of Labor, Justice Department's Anti-Trust Division, National Commission on Food Marketing, Department of Agriculture, Pentagon, Federal Stamp Program], the Administration (Kennedy, Johnson)
 - Industry and trade associations (e.g., Wholesale Grocers' Association, National Association of Food Chains, National Federation of Independent Business, American Meat Institute, Food Industry Educational Advisory Council, Super Market Institute, Grocery Manufacturers of America, Chamber of Commerce of different cities)
 - International regulators and regulations (General Agreement on Tariffs and Trade)
 - Minorities
 - Non-profit organizations and churches (e.g., Greater Miami Consumers Civil League, The Salvation Army, American Cancer Society, Boy Scouts, American Humane Association's Pet Food Advertising Committee)
 - Individual elected officials (e.g., Congressman XX or Senator YY)
 - Other operational partners (e.g., the Post Office)
 - Public press (e.g., Life Magazine)
 - Retail employees
 - State regulators and regulations (e.g., Unfair Practices Act charted by the California legislature)
 - Suppliers and manufacturers (e.g., the dairy industry, the Borden Company, Scott Paper Company, General Foods)
 - The courts (e.g., Supreme Court, Court of Appeals, State Court of Connecticut, Michigan Supreme Court)
 - Unions (e.g., United Auto Workers)

The complexity of the organizational field meant that dialogue around important issues occurred on many fronts.

Organizations and individual managers had to respond to pressures and influences from various societal stakeholders with diverse perspectives. The following quote helps to illustrate this challenge: “Can consumer boycotts help bring down food prices? ‘No,’ says the National Consumers Congress of Washington, D.C. ‘Yes,’ says the Fight Food Prices Committee in Boston” (CSA SME, April 1974, p. 17). The ways in which organizations and individuals reacted to the social issues and societal stakeholders was often paradoxical, ambiguous, convoluted, and complex.

Paradoxical Managerial Response

When reading our data, we expected dominant, cohesive responses by retailers to triggering events and societal stakeholders. Instead, we found contradictory discourse, showing complex and often opposing views of issues arising in a single period. For example, in a single year, retailers would both cooperate with and oppose government action. They would respect and disparage consumers. To better understand discourse within the organizational field, we carefully examined the language and metaphors used in the articles. To provide greater clarity for our findings, we have included illustrative quotations. Unless otherwise stated, quotations are representative of multiple mentions of the same or similar perspectives.

Our data reflecting retailers’ management of their complex organizational field revealed four paradoxes: (1) ‘government as demon’ versus ‘government as ally,’ (2) respect and care for consumers versus consumer disparagement, (3) dismissal of consumer activism versus fear of consumer activism, and (4) the need for retail embeddedness in the community versus the profit motive. As we will discuss, these managerial paradoxes are manifestations of retailers’ efforts not only to survive and maintain their legitimacy, but also to attempt to influence and shape the organizational field in which they operate. The complexity of the organizational field results in managerial behavior that is often more paradoxical than existing theory would suggest.

‘Government as demon’ versus ‘government as ally.’ Our data suggest there was constant tension in the relationship between retailers and the government. When industry talked about its interactions with government, it used terms such as “stifling,” “prohibiting,” and “controlling” (PG, August 1962, p. 9). Industry advocates disparaged government bureaus noting their “heavy-molasses handed presence felt in the food industry” (PG, September 1964, p. 41), and the “lack of responsibility and integrity among politicians in their attitudes and statements about the food industry” (PG, September 1965, p. 6). Industry members complained of being government’s “whipping boy,” blamed for the inflationary problems of the time (PG, September 1975, p. 47). Retailers accused government of “preparing new maledictions for industry”

(PG, March 1975, p. 22). One headline reads “FTC sets new ‘no-no’ guides on pricing” (CSA GME, September 1974, p. 9), suggesting that government is the stern parent and industry the unruly child. Retailers felt besieged and victimized by government action.

The adversarial nature of the relationship between retailers and government was often likened to a military war. Government action was seen as “harassment” that retailers could only counter through their “war chest” of advertising budgets (PG, December 1967, p. 30). Retailers stated that they had been “attacked” by government (PG, September 1965, p. 6), engaged in “battles” (CSA SCA, December 1977, p. 8), and were the target of “government strikes” (CSA SCA, October 1977, p. 8). Government was positioned as the military ruler of the food industry:

Together they [regulatory agencies] muster a small army of 8000 men who more than hold their own in holding the 40,000 hearings conducted by all Government agencies in a year. Through persuasion, threat or litigation they affect every retailer in the land and every customer who shops his aisles. (PG, September 1964, p. 41)

Mixed with opposition to government action and adversarial, inflammatory rhetoric, we found stark stances illustrating a more cooperative and complacent attitude towards government. For example, retailers spoke positively of the Truth in Packaging bill, suggesting it was necessary to keep some manufacturers in line (PG, January 1963, p. 50). Some within the organizational field suggested that when government positions industry as “the enemy”, then the next step is “to consider how we might cooperate more effectively” (PG, January 1976, p. 6). Harold O. Smith, executive vice president of United States Wholesale Grocers’ Association (USWGA), reported that his association would activate a committee at state and national levels to keep in close touch with government and consumer activities (PG, September 1967, p. 9).

In even sharper contrast to rhetoric which positions government as the enemy of the industry, there is some evidence that government, at times, was viewed as an ally that promotes and protects the industry: “While dairy industry leaders hope that President Kennedy’s recent endorsement of milk will help check the decline in consumption which hit last year [...]” (PG, May 1962, p. 49).

On several occasions, retailers indicated that they followed or even stayed one step ahead of government recommendations. In regard to nutrition labeling regulations: “Instead of crying ‘you can’t do this to us,’ the general attitude [at a gathering of industry representatives at an FDA briefing] was ‘show us how we can comply’” (PG, April 1973, p. 164). Retailers even found themselves adopting some laws and regulations before they came into effect – for example, unit pricing (PG, June 1971, p. 109),

content labeling rules for orange-flavored drinks (PG, August 1971, p. 111), and household detergents:

Household detergents will soon carry labels disclosing their phosphorous content and biodegradability. The detergent makers, at FTC request, have decided to adopt voluntary labels ahead of final FTC trade regulation rules [...]. (PG, October 1973, p. 170)

Of course, cooperation and compliance did not always come easily nor was it universally adopted.

Many chain stores now realize “that consumerism is good business management,” Zawal concedes, “but the fact that they are still lobbying against the Consumer Protection Agency bill indicates there is still some hostility towards consumer programs.” (PG, August 1974, p. 58)

Paradoxical attitudes towards consumers. Our data suggest that retailers held paradoxical, varied, and complex attitudes towards consumers. At times, retailers expressed the view that consumers are intelligent, well informed shoppers that do not need government protection. In other cases, they noted their own role as consumer advocates who responded insightfully to consumer wants and needs. In sharp contrast were views that consumers are incompetent, poorly informed, and even stupid. Instead of alignment between retailers and consumer interests, there were “rifts” and “credibility gaps” (PG, June 1968, p. 9).

Some of the attitudes expressed about consumers arose from retailers’ desire for a largely unregulated marketplace. Retailers repeatedly expressed a laissez-faire attitude, making the case that a free and competitive marketplace is justified because consumers are intelligent and can think for themselves. “We suspect that the great majority of American consumers are far more intelligent than their ‘caretakers’ realize or would like to admit” (PG, March 1972, p. 267). They noted that there is ample competition and selection in the marketplace. “These same super markets, in an effort to win the customer’s favor, last year made room on their shelves for 600 of the 1000 new items introduced by manufacturers” (PG, May 1964, p. 37). Therefore, there is no need for government protection and regulation. Such an argument can be seen in one article referring to the proposed Truth in Packaging bill:

Manufacturers and retailers fully understand that the modern housewife not only has a choice of many, many brands and items in packaged foods but a wide choice in supermarkets. If she is misled or fooled only once, the violator of her trust loses her purchases and loyalty [...] THE TRUTH IN retailing today is that the consumer does not need this “big brother” protection concept. Competition, a far more effective regulative force than many of our legislators realize is the

policeman and the stimulator that really protects the consumer [...]. (PG, January 1965, p. 6)

Retailers also worked to position themselves as consumer protectors, champions, and advocates, again making the case that regulation was unnecessary.

PLEASING the customer, of course, is the primary aim of every good super market operation. But behind that aim perhaps is a more important meaning – protecting the customer. A customer who is injured in your store is neither pleased nor protected. (PG, January 1964, p. 126)

In a similar vein, the president of Katz Drug chain noted: “Much of what happens in the 1970’s in retailing, will be with maximum, if not total consideration of what Mr. and Mrs. America want in their shopping” (CSA DR, April 1970, p. 12). In fact, responding to the needs of consumers (i.e., adapting to consumerism) was perceived by some as legitimate behavior: “What they [recent developments] suggest is the beginning of the institutionalization of consumerism. What began as a series of pressure tactics from outside is being taken on and accepted within” (PG, April 1971, p. 110). Retailers encouraged others to see consumerism as an opportunity rather than a threat. “Consumerism is not a threat to the supermarket industry. It is a challenge and an opportunity to make our service to the customer even better” (PG, June 1970, p. 68).

In contrast, other retailers expressed highly paternalistic views of shoppers, especially female shoppers, noting that they needed to look out for, protect, educate, and cooperate with consumers.

The public was also treated to an immense public relations campaign by trade associations at all levels, designed to educate Mrs. Shopper about the mechanics of food distribution and retailing, and to soothe away some of the myths about super market pricing procedures. (PG, April 1968, p. 12)

In more extreme cases, consumers were disparaged and regarded with disrespect. Consumers were described as “cranky and touchy” (PG, November 1975, pg. 14), “uptight” (PG, November 1975, p. 41), “dumb” (PG, February 1976, p. 36), “nitwits” (CSA SME, February 1971, p. 70), and “fickle” (PG, February 1971, p. 10). One NAFC member noted: “Can we really expect a woman who has had no economic education at all to believe that we make only slightly more than a penny on the sales dollar as profit” (PG, December 1967, p. 31). The headline in one story read: “Petticoat Rebellion Urges End to Super Market Frills” (PG, April 1969, p. 96). Retailers come off as especially patronizing in their comments about “Mrs. Housewife” as the primary consumer (PG, February 1962, p. 9).

Retailers' demeaning attitude towards women is further reflected in their views of female managers. In describing the promotion of a heavy set female manager, one writer noted "that Sylvia Seid carries a lot of weight around the Lamston Co. The obviously heavy-set Miss Seid has carried the joke good naturedly. But now, she's carrying even more weight around the chain as its newest vice president" (CSA, October 1967, p. 17). Another writer noted that a new lady sales chief will be "cooking up new ideas" for promotions (CSA, March 1968, p. 17).

In the most extreme cases, consumers, especially those who boycotted stores or demanded racial equality, were viewed as the enemy. In describing retailers who responded to boycotts by cutting prices, one writer suggested that such retailers could only "stand by unhappily and watch as the housewives 'cherry picked' them nearly to death and then moved on to other stores 'in need of boycotting'" (PG, April 1969, p. 97).

The paradoxical attitudes towards consumers in general were even more obvious when information about black consumers was presented. Grocers were described as inhabiting "embattled cities" that bore "a chilling resemblance to bombing reports out of Vietnam" (PG, September 1967). Retailers were again asked to help solve the 'problem' by providing training and jobs, and many rose to the challenge noting: "The development and advancement of Negroes and other minorities into the executive ranks is one of the prime drives in retailing today" (CSA, September 1968, p. 62). Tension between the two sectors was evident, however. "While both poor blacks and poor whites are wary of retailers, Negroes have a more 'violently hostile' attitude [...] Negroes believe that they are treated as undesirables – or untouchables [...]" (CSA, February 1969, p. 63). Another article noted: "But business hesitates to publicly report its successes, fearing excessive demands by Negro groups" (CSA, June 1968, p. 52). Others complained that black consumers lacked understanding of the issue: "Negroes turn a deaf ear to retailer arguments that personnel of an outlet should parallel a neighborhood's racial makeup" (CSA, June 1968). A number of articles indicated a lack of understanding between retailers and black people, and conclusions were drawn such as "Too often the Negro feels he's being sold down to" (CSA, September 1968). Racial tension, fear, lack of trust, and disrespect continued, as witnessed by the following statement:

This is the new form of boycott in which the Negro pulpit is used to urge families to keep out of specified stores until they accede to blatantly illegal demands. Examples – hire people to fill jobs at all levels regardless of qualification, stock products in which the military group has an interest [...]. The goal, however, could be attained much faster if consumers, particularly their leaders, displayed a greater sense of responsibility

and cooperation than has been seen thus far. (PG, February 1968, p. 6)

Dismissal versus fear of consumer activism. Just as there are mixed and paradoxical views about consumers themselves, so are there contradictory perspectives on consumerism as a social trend. On the one hand, industry members trivialized and dismissed consumer activism. One headline exclaimed "Consumerists 'Much talk, little action'" (CSA, May 1969, p. 72). Numerous articles complained that "Mrs. Consumer" unfairly directs her anger about high prices at retailers, instead of recognizing the economic causes of inflation such as increased labor and transportation costs (what retailers "know" to be the causes of price increases). Another retailer noted that consumers are easily manipulated by those with political agendas:

There's a new word in the language that we hear more and more often. That word is "consumerism." Now it is pretty hard to argue against consumer protection as a governmental function. But consumerism at its worst becomes consumeritis [...] you won't find "consumeritis" in dictionaries. Let me offer my own definition: consumeritis n: A contagious inflammation of the consumer interest portion of the brain often resulting from political ambition or desire to derive favor from groups of consumers through personal publicity. (PG, December 1967, p. 30)

By externalizing blame for consumer protests on outside factors like economic and inflationary pressures, retailers and value chain members could dismiss activism as misguided efforts aimed at issues beyond retailers' control or responsibility. "American manufacturers, processors and distributors," he [George Koch, president of Grocery Manufacturers of America Inc.] said 'don't cause inflation and high prices'" (CSA, January 1967, p. E8). Another article noted that the "'girlcotts' of supermarkets across the nation [...] accomplished very little, simply because the causes of price increases are not to be found within food distribution but stem from forces affecting national, and, indeed, worldwide economics" (PG, December 1965, p. 6).

At the same time, however, retailers expressed a fear of activism and related activities, such as boycotts and pressure from blacks. Words like "muscle" and "struggle" color the commentary. One headline read: "Blacks lean hard to get jobs: Why A&P, Giant Tiger, other retailers knuckle under to demands [...]" (CSA, February 1969, p. 49). Another article noted: "Two years ago housewives revolted and just about scared food retailers out of their wits" (PG, April 1969, p. 96). "The entire mood of mistrust, generated by the professional consumer advocate, has us very concerned" (CSA SME, June 1970, p. 24). Retailers' fear was expressed through their quick reaction to boycotts by reducing prices (PG, June 1973, p. 12), keeping prices low (PG, May 1967, p. 6; PG, June 1967, p. 6), and an express

desire to be proactive in responding to consumer needs and demands (PG, June 1970, p. 65; PG, May 1973, p. 120). Unlike some contemporaries who dismissed activism, other retailers deemed consumer movements a powerful force:

Intertwined with the nutrition question is the consumer movement of the 70's, which embraces not only hunger and nutrition, but also product safety, deceptive business practices, pollution, and zooming prices. What's more, consumerism has grown from its one-time minority status to a highly powerful structure. (PG, April 1970, p. 94)

Community-embeddedness versus profit-minded-ness.

A fourth theme that emerged in our data is the paradox between retailers' desire to be perceived as good community citizens versus their focus on profits. In some cases, retailers talked exclusively about the need to be embedded in the local community. "One chain veteran says it this way: "You can't take out of a community without putting something into it" (PG, August 1964, p. 35). The rationale for community involvement may be altruistic. "There are many reasons why retailers take up public interest causes. One of them, surprisingly to cynics, is simple, uncomplicated public interest itself" (PG, November 1971, p. 84). Industry argued that it is, in fact, well embedded in local communities:

Super markets are more responsive to "human" issues than ever before. In just a few short years, consumer information and environmental programs have shed their air of controversy, settling down as accepted facts of life. (PG, April 1974, p. 82)

In other cases, however, community-embeddedness was viewed in a highly instrumental fashion as a necessary or recommended means of generating profits. Social responsibility was described as "good business" (CSA GME, November 1978, p. 46) and consumer advocacy as an "aggressive" marketing tactic (CSA SME, January 1971, p. 33). Social causes were supported when business benefits were expected to result. For example, drug abuse prevention programs should enhance drug stores' professional image (CSA DR, August 1970, p. 38), company donations should be planned and publicized (PG, February 1963, p. 118), retailers should serve Negro communities well to achieve prosperity (PG, August 1965, p. 6), and "customer participation days" should help to grow profits (PG, May 1970, p. 150).

The paradoxical nature of retailers' sense of obligation to the community also comes out in their response to environmental concerns. On the one hand, retailers curtailed their own environmental obligations. "Added to this is a strong anti-returnable sentiment among super markets, where floor space, storage areas and personnel costs for handling the empties are at a premium. Sanitation is also a problem" (PG, November 1970, p. 118). On the other hand,

retailers were proactive in their duties towards the environment: "the problem of waste disposal belongs to everyone and it is indeed a national problem" (PG, July 1972, p. 287). Even still, environmental responsibility was driven by a profit motive. "Early evidence that store sales can be affected by an ecological campaign has come from 10-store Alexander's super markets of Los Angeles" (PG, June 1971, p. 9).

The community-embeddedness paradox of altruism versus profits is exemplified by the following material quoted for a single article:

Many retailers launched campaigns to do their part to help preserve the environment and, often, elements of these drivers were totally altruistic. [...] With all the hand-wringing, it became clear last year that consumer- and ecological-mindedness could pay monetary dividends. (PG, April 1972, p. 10, 14)

Shaping Authentic Norms

In the context of such a fluid and dynamic organizational field wrought with paradox, our data reveals that retailers' attempt to shape authentic norms arises as a key strategic endeavor. From institutional theory, authentic norms are regarded as unspoken, taken for granted guidelines and assumptions that channel the legitimate behavior of organizational field members. While they come to be taken-for-granted, authentic norms are also social constructions which organizational field members might actively work to influence and shape according to their own interests (Hoffman 1999). The retailers examined in our data actively worked to shape the organizational field's authentic norms.

In our exploration of the previous paradoxical themes, it became evident that as the retailers pursued activities consistent with the norms of a free market-based competitive logic, retailers' legitimacy was routinely called into question by societal stakeholders. In this context, retailers sought to not only defend their actions, but also to defend the very authenticity of the norms upon which their actions were based. For example, consider the following development:

FOOD RETAILING, the most competitive business in the U.S. seems slated for another investigation. ONCE AGAIN, our Federal Government seems determined to prove that the consumer is being exploited by giant distributors and retailers [...]. THIS IS A surprising development to those engaged in food distribution, especially in view of the recent study conducted by the Federal Trade Commission which indicated, at least to Progressive Grocer, that the trend is away from rather than toward monopoly and that competition was more rather than less intense in our business [...]. (PG, March 1964, p. 6)

In this quote, retailers find it “surprising” that their adherence to intense competition – a market-based competitive authentic norm – would open them up to investigation and scrutiny.

Retailers do not perceive that it is their individual practices which are being questioned by societal stakeholders, but something much grander – the very norms upon which retailers come to understand their own existence. As such, retailers tended not to defend their business practices per se, but worked to defend the norm of competition itself.

Consumerism can be defined roughly as the growing public disbelief about manufacturer and retailer claims for their products and services. [...] Caveat emptor, “let the purchaser beware,” has been too long a popular proverb, and not really valid. [...] Let merchant and supplier create a new proverb, Credet emptor, “let the purchaser be trusting.” (CSA SME, February 1970, p. 74)

Here, retailers are asking societal constituents to show trust in retailers, because retailers are adhering to norms of competition – an authentic norm that, if left unfettered, will only work to benefit the consumer. For instance, in the face of pressure about increasing prices and accusations of profiteering, retailers worked proactively to dispel these allegations by reinforcing the authenticity of the norms of competition.

AGAINST THIS BACKGROUND, many and perhaps most food retailers today are thinking long and deeply about their price image and ways to create a reputation for lowest possible prices and yet offer the range of product, store atmosphere and services that the modern shopper has come to expect – even demand – from her super market. (PG, May 1976, p. 6)

In this quote, retailers stress that following norms of competition provides value to consumers – low prices, range of products, positive store atmosphere, and services. By suggesting that these are all things that “the modern shopper has come to expect,” retailers are extolling the authenticity of the norm of competition. After all, this is a norm that all stakeholders are calling for, not just the retailers.

Retailers’ efforts to defend their organizations’ practices by defending the authenticity of the norms upon which their practices were based occurred against a backdrop of a dynamic and active organizational field. The organizational field was replete with increasingly empowered societal stakeholders attempting to reshape the field’s authentic norms away from market-based norms of competition and towards a pro-social based logic. As the consumerism movement gained strength through the latter part of the 1960’s, evidence began to emerge of retailers

also having to acknowledge a different set of authentic norms – those based on a pro-social logic. In a NAFC initiative titled “Consumer Dialogues,” retailers attempted to fully engage consumers using “two-way, direct, instantaneous and highly personal communications. They are intended, primarily, to help the industry better understand its customers. The language of the Dialogue is that of the consumer” (PG, December 1967, p. 31).

Other articles noted that the ‘problem’ of consumerism could and would be solved through formal interactions (PG, April 1976, p. 60), customer clinics (CSA GME, January 1970, p. 46), and consumer education (CSA SME, February 1971, p. 70). In one article, the open and cooperative spirit is clear: “industry has wisely decided its best position is on the side of the consumer activist” (CSA GME, May 1975, p. 1). In some articles, the relationship between retailers and the local community was likened to a “marriage” (CSA GME, November 1970, p. E23). In another quote, the logic of retailers’ social obligation was made explicit:

It might be possible to continue to live and do business in a world where every segment watched out selfishly for itself. This might be a true, “free society” in action. But unless business, government, or somebody assumes responsibility for what happens to the whole society, then we will surely have a “free society” that is teeming with garbage and polluted air. [...] I’d like to see a company in the retail food industry try to behave as if it did not have a social responsibility. It wouldn’t be around long. (CSA SME, October 1970, editorial)

Retailers’ effort to engage in a dialogue and even a marriage-like arrangement with societal stakeholders represents an expression of a pro-social logic – adherence to a norm that expects the organization to tend to communal concerns, which are presented at odds with the ‘selfishly’ driven norms of a market-based, competitive logic.

DISCUSSION AND CONCLUSION

While traditional marketing management theory emphasizes marketers’ internal control in their attempt to acquire and deploy unique bundles of resources to win competitive advantage, the purpose of this current study has been to also understand the societal context-dependent dimension of marketing strategy. Our analysis reveals that marketers’ work occurs within the context of a highly dynamic, contradictory, and paradoxical institutional environment that “generate(s) cultural pressures that transcend any single organization’s purposive control” (Suchman 1995, p. 572). There are a number of implications for how we think about marketing strategy that arise from this perspective.

First, marketers’ task of determining which stakeholders to consider when crafting their strategies may

be far more intractable than extant marketing theory suggests. Rather than discrete groups of stakeholders each presenting an orthogonal set of clear expectations onto retailers, our data show a continuum of interacting and mutually influential stakeholders that present to marketers an array of socially complex issues. Marketers are thus faced with the enormously difficult and intricate task of understanding the expectations imposed and the dialogue that must occur with such a range of stakeholders, many of whom may well hold divergent expectations.

The complexity of marketers' institutional environment presents the second key finding. Our data suggest that the marketer is immersed in a conflicting, paradoxical environment. Here, attention is drawn not to the specific tasks that stakeholders might impose on marketers (e.g., to report nutritional information on package labels), but rather on the challenge of how to make sense of the conflicting normative expectations presented by such a diverse array of stakeholders. Retailers in our study struggled with whether and how to embrace various societal stakeholders – is government an ally or the enemy? Should activists be taken seriously or summarily dismissed? Are consumers 'king,' such that retailers must respond to their every whim, or are they ignorant of the issues and in need of 'educating'?

Faced with such a conflicting set of stakeholders and expectations, the marketers in our study were in turn confronted with contradictory and even paradoxical authentic norms upon which to legitimize their organizational practices. This observation stands as our most central finding. Presented with such a confusing array of expectations, our marketers do not simply tend to the specific tactics and practices they are asked to consider, but rather they tend to the very authentic norms underlying the expectations imposed on them. The marketers in our study struggled with understanding, on the one hand, normative expectations of a competitive-based logic and, on the other hand, a pro-social based logic that challenges the very authenticity of the former norm. As a result, marketers do not simply work to satisfy the expectations of various stakeholders, but also attempt to justify their actions by strengthening the authenticity of the very societal norms upon which the legitimacy of their actions rests.

This strategic effort presents an exciting addition to our traditional view of marketing strategy. In addition to acquiring and deploying unique bundles of resources for competitive advantage, marketers also appear to be actively engaged in an institutional dialogue. Through this dialogue, they attempt to shape the organizational field's authentic norms that will come to define legitimate behavior for the field's members. But this is not a linear task. The organizational field is comprised of other societal stakeholders who are also working to influence and shape the field's authentic norms, leading to a conflicting collection of authentic norms that bombard societal constituents.

This study reveals marketing strategy to be comprised of an institutional dimension whereby marketers engage in legitimacy-related efforts through their dialogue and rhetoric with other societal stakeholders. Future research in this domain might seek to further explore the kind of interaction, positive and negative, that occurs between societal stakeholders and how this interaction comes to shape the field's authentic norms. Future research is also needed to help marketers make sense of the societal stakeholders that comprise an organizational field. Aside from the traditional stakeholder groupings around economic imperatives, are there other ways of making sense of a firm's institutional environment?

NOTES

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² PG refers to Progressive Grocer and CSA refers to Chain Store Age. In some years, CSA published several editions – GME refers to Variety Store-General Merchandise Executives Edition; DR refers to Drug Edition; SME refers to Super Markets Edition; and SCA refers to Shopping Center Age.

³ We use the term 'Negro' in this section since it is the word used in the trade publications of the day.

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